

Regulation (EU) 2023/2411 on Geographical Indications for Craft and Industrial Products: Legal Framework and Implications for Regional Development in Bulgaria

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Abstract. The article examines the new framework for geographical indications (GIs) for craft and industrial products established by Regulation (EU) 2023/2411, focusing on its structural impact on regional development. Moving beyond a purely descriptive approach, the study evaluates the Regulation’s influence through an interdisciplinary methodology incorporating doctrinal analysis, spatial analysis of craft potential, typological profiling of socio-economic resilience, and a dynamic risk assessment of implementation scenarios. In the research are presented of the official amendments to the Bulgarian Trademarks and Geographical Indications Act (TGIA), adopted on March 6, 2026, which establish the national administrative conditions for applying the European framework. By utilizing data from EUIPO and National Statistical Institute (2024–2025), the study introduces an original typology of territorial capacity, segmenting Bulgarian regions with existing and potential geographical indications based on their socio-economic resilience and readiness for European protection. The research fills a gap in the literature by analyzing how the transition to unified European protection, supported by the latest national legislative updates, transforms territorial capital into a driver for regional competitiveness and institutional governance.

Keywords: geographical indications, craft products, industrial products, sustainable regional development, Regulation (EU) 2023/2411, Bulgarian legislation.

Introduction

Geographical indications are objects of industrial property which, in contemporary economic theory, are regarded as a strategic instrument for product differentiation and the building of market reputation. In economic and social terms, they generate added value by reducing the information asymmetry between producers and consumers. They activate the so-called “territorial capital”, stimulate endogenous development through quality premiums, preserve traditional know-how, and form sustainable production networks (Borisov, B., 2006, 274–276; WIPO, 2021, 6–7, 13–15). In this way, geographical indications transform local identity into a market advantage, which is of critical importance for the economic survival of peripheral regions.

Their protection at the international level was first regulated in Article 1(2) of the Paris Convention for the Protection of Industrial Property of 1883, where the terms “indications of source” or “appellations of origin” are used. The Convention does not use the term “geographical”, since the general concept of geographical indications, which includes two subcategories, appellations of origin and geographical indications, was developed in the following decades and appeared in international regulation in the TRIPS Agreement of 1994 and the Geneva Act of 2015 (<https://legislation.apis.bg/doc/4276/0>, https://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm, <https://www.wipo.int/wipolex/en/treaties/textdetails/15625>).

European Union law precedes international acts in this field, and with the adoption of Regulation (EEC) No. 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs, it distinguishes between the two types of

geographical indications: designations of origin and geographical indications. According to the legal definition, a geographical indication means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or foodstuff originating from that region, specific place or country, which possesses a specific quality, reputation or other characteristics attributable to that geographical origin, and the production and/or processing and/or preparation of which takes place in the defined geographical area.

The main significance of the regulation is that, through this framework, legal mechanisms are introduced for the registration and obtaining of protection for this object in all Member States of the European Community. Protection at the national level remains only for those already registered, while in the future registrations will be carried out only at the Community level. Accordingly, the national authorities responsible for geographical indications act as a stage in the Community procedure. Through Community protection, important objectives of public interest are also achieved, such as the prevention of misleading labeling, as well as the support of agricultural regions by encouraging diversification and the added value of local products, fair competition between producers, and increased consumer confidence (<https://eur-lex.europa.eu/legal-content/BG/ALL/?uri=CELEX:31992R2081>).

The subsequent series of regulations (Regulations No. 510/2006, 1151/2012 and the most recent Regulation (EU) 2024/1143) demonstrates the EU's sustained commitment to using quality as a lever for regional development. The success of this "agricultural model" has become a logical argument for extending protection to craft and industrial products as well.

The creation of a unified system for craft and industrial products is the result of a long preparatory process initiated by the need to overcome the fragmentation of national regimes. Studies and consultations conducted during the period 2013–2021 demonstrate that the lack of a unified framework creates legal uncertainty and threatens unique regional identity. A key moment was the EU's accession to the Geneva Act in 2019, which accelerated the debate on turning the protection of crafts into a political priority. The opinions of the European Economic and Social Committee and the European Parliament emphasize that this new system is not merely an administrative copy of the model for geographical indications for agricultural products, but has a direct economic impact on micro, small and medium-sized enterprises by strengthening their competitiveness. In addition, employment in less developed regions is increased (Izvlechenie ot dokumenta "Prieti tekstove" ot mesechnata sessiya ot 16–19 dekemvri 2024 g., 561–572).

Officially, Regulation (EU). 2023/2411 of the European Parliament and of the Council of 18 October 2023 on the protection of geographical indications for craft and industrial products and amending Regulations (EU). 2017/1001 and (EU) 2019/1753 enters into force 20 days after its publication in the Official Journal of the European Union, namely on 16 November 2023 (OJ L, 2023/2411, 27.10.2023, ELI: <http://data.europa.eu/eli/reg/2023/2411/oj>). It shall apply from 1 December 2025, with the exception of Article 19(1) and (2), Article 35(1), Article 37(7), Articles 67, 68 and 69, and Article 71(2), which apply from 16 November 2023 (OJ L, 2023/2411, 27.10.2023).

Literature review

Due to the aforementioned application date of the Regulation, the primary factor at this stage is the limited number of scholarly studies analyzing its provisions through various specific perspectives. Among them are Irene Faccin's Master's thesis, "From concept to legislation: The Evolution of the EU Regulation on Geographical Indications for Industrial and Craft products" and the study "Non-Food Geographical Indications in the European Union: Comparative Indicators, Cluster

Typologies, and Policy Scenarios Under Regulation (EU) 2023/2411” authored by Giovanni Peira, Sergio Arnoldi, and Alessandro Bonadonna. The first study provides a detailed legal analysis of all provisions within the Regulation (Facin, 2023, p. 1-126), while the second analyzes the distribution and potential of non-food geographical indications in the EU, introduces comparative indicators for their relative specialization, and models various scenarios regarding the economic and policy implications of implementing Regulation (EU) 2023/2411 (Peira, G., Arnoldi, S., & Bonadonna, A. (2025, 1-25).

In contrast to the existing literature, this study integrates the national legislative updates of 2026 to the Bulgarian Trademarks and Geographical Indications Act with a localized socio-economic typology. It goes beyond theoretical modelling in order to identify the specific “capacity paradox” in regions where the legal need for protection is the highest, but administrative resources are the most limited.

Methodology

The present study applies an interdisciplinary methodological approach based on legal, statistical and socio-economic methods. The aim is to analyse the transition from the theoretical potential of Regulation (EU) 2023/2411 to its practical applicability in the context of the Bulgarian regional economy. The methodological framework includes doctrinal, teleological, systematic and comparative legal analysis of the Regulation. A doctrinal analysis is applied to clarify the content of the new regulatory framework, as well as the new legal concepts and standards introduced by it. A teleological analysis is used to examine the ratio legis of the Regulation and its benefits for the regional economy and institutional governance. Through systematic analysis, the internal logical links between the individual provisions of the Regulation and their projection in the national legislation (TGIA) are examined. The comparative legal analysis is applied in two directions. The first is horizontal, consisting of a comparison between Regulation No. 1151/2012 (agricultural products) and Regulation (EU) 2023/2411 in order to identify procedural innovations and the degree of decentralisation toward the EUIPO. The second direction is vertical, involving a comparison of the national support measures adopted by certain Member States for producers with the model of direct derogation. This approach allows for substantiating the thesis of an asymmetrical support model and the role of financial incentives in overcoming market barriers faced by micro-enterprises.

A secondary statistical analysis, combined with quantitative descriptive analysis, is also conducted. A detailed processing of data from the EUIPO study (2024) on the potential for protection of geographical indications for craft and industrial products in the European Union is carried out. Through quantitative methods, the “dormant potential” of the sector is calculated (Table 1) and compared with the current registrations.

A comparative grouping of selected Bulgarian municipalities with existing or potential geographical indications is further conducted, based on their socio-economic profiles. Data from the National Statistical Institute (2024–2025) and the Bulgarian Employment Agency on population density, unemployment and economic activity by regions in Bulgaria are used. On this basis, an original analytical typology (Table 4) is developed, segmenting the selected municipalities into three profiles (A “Revitalization” B “Structural Adaptation”, C “Economic Expansion”) according to their specific needs for economic revitalisation, structural growth, or strategic valorisation of cultural capital.

A systemic approach is used to identify the critical phases in the implementation of the new legal framework. The model integrates financial, operational and organisational factors in

order to outline two future scenarios (“Stagnation” versus “Revitalisation”), based on institutional resilience and the level of municipal engagement.

The main limitation of the present study derives from the early stage of implementation of Regulation (EU) 2023/2411 and the lack of accumulated administrative and judicial practice, which precludes the possibility of conducting an ex-post evaluation of the economic effects. The proposed scenarios therefore have a foresightful character and are based on a hypothetical correlation between the intensity of institutional support and the motivation of producers. It should also be noted that market behaviour in the craft sector is influenced by a wide range of factors and local socio-cultural traditions, which lead to a high degree of unpredictability in the individual reactions of actors within the identified profiles Revitalization and Structural Adaptation. In view of the identified methodological limitations, future research efforts should rely on empirical data regarding the actual number of registrations after 2026, in order to measure the economic effectiveness of national administrative facilitation measures. For Bulgaria, it will be particularly important to empirically monitor changes in unemployment levels and economic activity in the municipalities belonging to Revitalization, in order to verify the hypothesis concerning the role of geographical indications as an instrument for overcoming regional disparities. Of particular importance will also be the examination of whether institutional partnerships between municipalities, scientific institutions (Institute for Ethnology and Folklore Studies with Ethnographic Museum – Bulgarian Academy of Sciences, and regional museums) and the Patent Office of the Republic of Bulgaria are able to support the process of transforming cultural heritage into market capital, capable of limiting demographic outflow from the territories classified under Revitalization.

It is also necessary to examine to what extent protected geographical indications become a core element of regional branding, integrating crafts with local tourism and digital commerce.

Results and discussions

The new Regulation (EU) 2023/2411 completes the harmonisation of the system of geographical indications in the non-agricultural sector. A comparative legal analysis shows that it largely reproduces the established model and principles applicable to agricultural products under Regulation No. 1151/2012, later replaced by Regulation (EU) 2024/1143. Both regulations establish procedures for registration, conditions for the admissibility of applications, institutional participation and control mechanisms. Producers must meet similar legal criteria, and the structural elements of the procedures, such as the two-phase registration process, producer groups, and official product specifications, are comparable. In both cases, the regulations overcome fragmented national legislative approaches to geographical indications and ensure more accessible protection for all producers of traditional quality products.

The main differences lie in the specific institutional mechanisms. For example, Regulation No. 1151/2012 is oriented toward large-scale agriculture and includes strict labelling requirements, including the mandatory EU symbol and the PDO/PGI designation, as well as centralised registration through the European Commission. In contrast, Regulation (EU) 2023/2411 is directed at numerous small producers and therefore introduces EUIPO as the central authority, while the Commission retains more limited functions. It also allows more flexible forms of local participation, including derogations for direct registration (Article 19) (<https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32012R1151>, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R2411>).

Certain provisions of the Regulation require critical legal analysis. According to Article 4(1)(a), craft products are those produced either entirely by hand or with the assistance of manual or digital tools, or by mechanical means, provided that “the manual contribution is an important component of the finished product”. This dispositive norm allows for broad interpretation but does not clarify what exactly constitutes an “important component” creating legal uncertainty and raising the question of how the significance of manual contribution should be measured. The absence of a specific objective criterion for assessing this contribution represents a regulatory gap that could be addressed through standardised technical criteria or minimum parameters of manual input. Such clarification would eliminate contradictory interpretations and ensure transparency in the application of the provision.

Article 45 explicitly provides that producer groups must operate in a transparent and non-discriminatory manner and must allow all producers of the relevant product to join the group at any time. These groups are responsible for drafting and amending the product specification, organising internal compliance checks, and initiating legal actions for the protection of the geographical indication. However, in practice there is a risk that dominant companies or consolidated groups may control the organisation, dictate the conditions of the specification and exclude smaller producers. Member States should therefore consider introducing sanctions for the closure or exclusionary practices of producer groups, for example by withdrawing the official status of a producer group in cases of abuse. The requirement for openness constitutes a dispositive standard, and its systematic violation would necessitate interpretation *contra legem* and intervention by the competent national authorities.

According to Article 51, compliance of a product with the specification may be confirmed through a self-declaration by the producer, submitted before and after the product is placed on the market. This self-declaration is complemented by control measures based on risk analysis and, where applicable, notifications from interested producers. Control is carried out by the competent authority or by delegated certification bodies. Under Article 52, Member States may establish an alternative regime in which verification is performed directly by the competent authority or by a designated third party, without requiring self-declaration. Self-declaration does not prevent independent verification by certification bodies or delegated entities; in the event of non-compliance, the competent authority must take the necessary measures. To limit abuse, the Regulation obliges Member States to establish effective, proportionate and dissuasive sanctions (Article 61), while the declaration form itself includes a warning regarding liability for false statements. However, the Regulation does not provide a detailed sanctioning framework for false declarations. In addition, the existence of two parallel procedures increases the risk of inconsistent administrative practice. The wording in Article 51(6) that “the competent authority shall take the necessary measures” is relatively vague, as the Regulation does not specify the typology of such measures, time limits or procedural guarantees. This creates a risk of uneven and unpredictable application across Member States.

From the perspective of regional economics, the Regulation is significant in several respects. At its core lies the creation of a unified and comprehensive system of protection for geographical indications for craft and industrial products at EU level (Article 1). This centralised framework ensures that the products of small artisans receive the same legal protection across all Member States, thereby transforming local territorial capital into a pan-European asset. Prior to its adoption, smaller regions were to a certain extent vulnerable to unfair competition within the internal market.

The Regulation effectively removes the previous legal uncertainty by unifying national systems. For countries without a regulatory framework, Article 15 provides for a derogation (direct procedure), under which EUIPO assumes the management of the process. The second important instrument is the temporary national protection set out in Article 16, which allows producers to benefit from protection already during the procedure. This flexibility should be considered in relation to the economic sustainability of population of the regions, as it allows local clusters to begin the valorisation of their products without delay, ensuring early legal certainty against imitations.

Article 40 of Regulation (EU) 2023/2411 sets out measures for monitoring and protecting geographical indications, including combating counterfeiting and the unlawful use of indications on the market and in the online environment. With regard to the regional economy, the Regulation creates conditions for a change in the structure of the market, but the actual change will become visible only if there is a significant number of registrations and active enforcement. If only a small number of products are registered or protection is not effectively enforced, the market structure will hardly change. Empirical data at present are scarce, and specific studies would only be possible after a reasonable period from the beginning of the application of the Regulation.

Particularly significant is the extension of protection to domain names and goods under customs supervision. For producer groups this means real control over the digital market and e-commerce. The possibility to stop the import of goods from third countries that infringe these provisions guarantees that regional artisanal clusters are protected from unfair global competition, which is of strategic importance for preserving employment in production regions.

The Regulation provides support for micro and SMEs through specific provisions relating to administrative burden and costs, more specifically in points 5, 18, 46 and 70 of the Preamble and Articles 10 and 65 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R2411>). A harmonised single form and the principle of proportionality in fees are introduced in order to reduce the administrative burden and financial barrier for micro, small and medium-sized enterprises. Regulation (EU) 2023/2411 in this part is further specified through Delegated Regulation (EU) 2025/1955 and Implementing Regulation (EU) 2025/1956, which establish the procedural rules, the format of the single document and the methodology for fees at Union and EUIPO level (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32025R1955>, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32025R1956>). The Regulation provides for assistance from competent authorities in the submission of the single document and creates institutional preconditions for supporting SMEs, but the practical relief depends on national implementation and the actual measures adopted by national legislation. In Bulgaria, the amendment to the Trademarks and Geographical Indications Act introduces a 50% reduction of fees for natural persons and SMEs in procedures for geographical indications for artisanal and industrial products, in force from 6 March 2026 (<https://dv.parliament.bg/DVWeb/index.faces;jsessionid=2C4C8A2418C2CBC9B064F2D31134C21D>). Italy offers grants for the preparation of product specifications (<https://rapporti-uibm.mise.gov.it/index.php/eng/valorisation/non-agricultural-gi-incentive>).

In states with direct derogation, that is, without a national phase, support for SMEs is carried out under a different model, because there is no national authority to carry out the preliminary examination. In this case the application is submitted directly to EUIPO, and the national state designates a “single point of contact” (SPoC), which assists both the applicant and the Office with technical and procedural issues relating to the application. Support for SMEs in these states is

implemented mainly through advisory assistance, as well as through programmes such as the EUIPO SME Fund, which provides targeted support for small and medium-sized enterprises through vouchers for partial reimbursement of costs related to the legal protection of intellectual property. For example, the IP Scan / IP Scan Enforcement voucher covers up to 90% of eligible costs for IP portfolio analysis, while vouchers for trade marks and designs and other protection procedures reimburse up to 75% of the respective fees. A new voucher for geographical indications for artisanal and industrial products (CIGIs) is planned within these categories, which will partially support the costs for the preparation of product specifications and legal protection, while the exact reimbursement percentages are still to be determined by EUIPO (<https://www.ipoi.gov.ie/en/news-events/news-categories/-/announcements/sme-fund-2026-continuing-support-for-smes-now-available.html>). However, this programme is available to all micro, small and medium-sized enterprises in the EU Member States, regardless of whether their country has a national phase or a direct procedure to EUIPO. In practice, this means that the system creates an asymmetrical model of institutional support – states with a national phase can provide more intensive administrative and financial assistance, while under the direct derogation support is limited mainly to instruments at EU level.

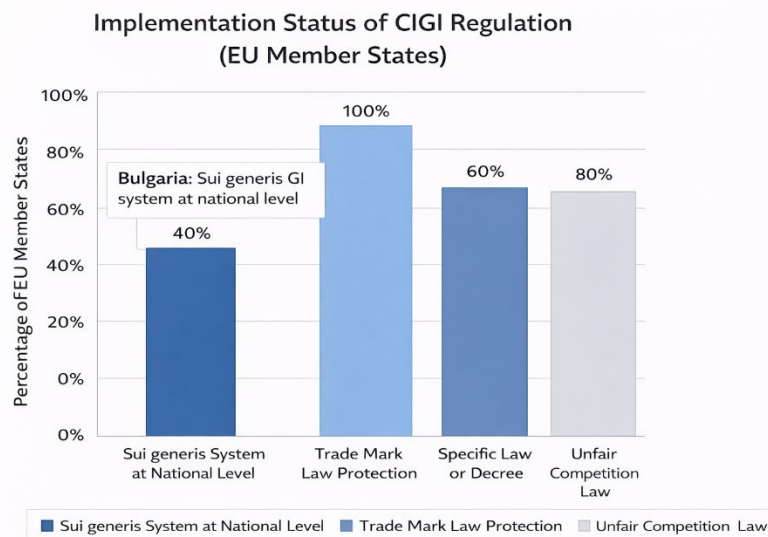
Therefore, the Regulation provides an opportunity to support regional development through easier access for micro and SMEs to the protection of geographical indications and through financial incentives. Formally, it creates equal conditions for all Member States; however, the real economic effects will differ, as the transformation of regulatory potential into actual results depends on national support. States with stronger institutional capacity that have adopted additional national measures, such as further reliefs and support, only create better conditions, but do not automatically guarantee regional economic effects, because these also depend on factors such as the actual use of the schemes by producers, market demand, and local production capacity. Since the Regulation is still in an early stage of implementation, real structural changes in the regional economy will only be capable of precise empirical measurement after the accumulation of new registrations after 2026.

An administrative-legal connection with the Lisbon system has also been achieved, due to the links with the Geneva Act. According to Article 64(2), Article 2 of Regulation No 2019/1753 is amended in the sense that Member States may request the Commission or, with regard to geographical indications for craft and industrial products, the Office, to register in the international register geographical indications originating from the territory of the Member States that enjoy protection and are registered under Union law. Producers of craft and industrial products may, at their own initiative, after European registration, also request international registration under the Geneva Act through WIPO, with EUIPO submitting the application. The fees for European registration are paid to EUIPO, and for the international application respectively to WIPO. The details and percentages regarding the planned voucher for geographical indications (CIGIs) have not yet been officially published and therefore the financial support for international registration depends on the specific rules of the voucher and on the eligible costs defined by EUIPO. If SMEs use a voucher from the EUIPO SME Fund that covers part of the consultancy and procedural costs for both the European and the international registration under the Geneva Act, without the need for a separate application to WIPO, this creates significant potential for economic development. In economic terms, the system allows for market expansion, increased added value, and the formation of local production clusters.

Nevertheless, the real effects on the regional economy materialise only where producers actively use the opportunity to register their geographical indications. If producers do not wish or

are unable to submit an application for international registration, the potential for market expansion remains unrealised. International registration involves WIPO fees which, if SMEs do not use the voucher, may be high. This in turn may limit the participation of smaller producers. Countries with active national support and strong capacity may have more products registered internationally, while other regions remain outside this market. This creates asymmetrical economic effects. In addition, there is market risk: even with international protection, if there is no demand in foreign markets or if the product is not positioned correctly, registration does not automatically lead to economic benefit.

The review mechanism established in Article 72 guarantees that by 2030 a real assessment will be made of how much of the added value remains in the geographical area. This periodic evaluation allows the legal framework to adapt to the economic needs of the regions, ensuring a long-term model for sustainable territorial development (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R2411>).



**Figure 1. Source: European Union Intellectual Property Office. (2024).
Study on EU Member States' potential for protecting craft
and industrial geographical indications. EUIPO Publications, 24-25**

The effective implementation of Regulation (EU) 2023/2411 depends directly on the pre-existing legal framework in the Member States. According to data from the EUIPO study, in some Member States there are special national regimes (sui generis systems) that provide independent legal protection for geographical indications for craft and industrial products through registration procedures and a clearly defined scope of rights. Bulgaria falls within this group, insofar as national legislation provides protection of geographical indications within the framework of the Trademarks and Geographical Indications Act, which is also applicable to non-agricultural products. However, these systems are not widespread within the Union and cover a limited number of Member States.

In all Member States there is the possibility to protect geographical indications through trademark law, in particular through collective and certification marks. This approach functions as a universal but inherently indirect protection mechanism, since trademark law was not designed with the purpose of protecting geographical origin. In some Member States, special laws or secondary legislation have been adopted, aimed at protecting specific categories of traditional craft

or industrial products. As a complementary mechanism, in a significant number of Member States the law on unfair competition is applied, through which the misleading use of geographical indications or the unlawful exploitation of the reputation of certain regions is prohibited. This form of protection does not provide prior protection through registration. (Figure 1).

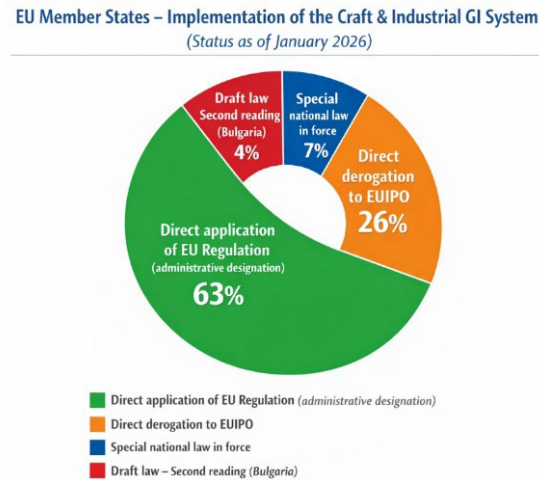


Figure 2. Source: EUR-Lex and official national patent offices (January 2026)

The process of adaptation to the Regulation reveals specific features in national strategies. With its Decision of 6 June 2025, the Commission authorised a derogation (direct procedure) for seven states – Denmark, Finland, Lithuania, Luxembourg, Malta, Netherlands and Sweden, in which producers from these countries submit applications directly to European Union Intellectual Property Office. In other words, they firmly refused to introduce national procedural changes or to assign the procedure to a national authority. For the remaining Member States, the approach generally follows two models: 1) existing national systems (in part of the 16 states according to the study), or 2) designation of a competent national authority and administrative rules. Among the first group of states, where it became clear from the above analysis that it is important to realise the potential opportunities and to register geographical indications as quickly as possible, amendments to the relevant special legislation were adopted particularly early in Germany and Spain (see Figure 2) (EUIPO, 2024, pp. 24–25; Markengesetz, 2026; Real Decreto 1190/2025, 2025).

These countries, together with Bulgaria, aim at the fastest possible valorisation of local products through active administrative support. In the case of Bulgaria in particular, such rapid reforms have not been undertaken since Regulation No. 2155/2012 (Batalski, 2021, p. 55). On 21 January 2026, draft law No. 166678 was submitted to the National Assembly of Bulgaria at second reading, adapting the Trademarks and Geographical Indications Act in order to ensure the effective implementation of the Regulation (Zakonoprojekt za izmenenie i dopalnenie na Zakona za markite i geografските oznachenia, 2025). Following its adoption by the legislative body, the amendments were officially promulgated in the State Gazette of the Republic of Bulgaria on 6 March 2026 (Issue No. 24, 6.3.2026).

The amendments establish a new Chapter Three “a” (Articles 106a–106f). This framework fully defines the national phase by designating the Patent Office of the Republic of Bulgaria as the competent authority (Art. 106a) and regulating all aspects of the procedure: from the requirements for applications (Arts. 106b–106c) and examination (Arts. 106g–106d) to specific amendments to product specifications (Arts. 106i–106l) and cancellation procedures (Arts. 106m–106o). Of particular importance for producers is the temporary national protection (Art. 106z) and the

comprehensive control regime based on personal declarations and certification (Arts. 106r–106t). The synchronisation of Bulgarian law with the Regulation guarantees transparency and judicial control (Art. 106f). The scientific and practical value of the Bulgarian model is reinforced by the integrated expert approach. The active participation of the National Craft Chamber of Bulgaria and the Institute of Ethnology and Folklore Studies with Ethnographic Museum – Bulgarian Academy of Sciences in the public consultations ensures that the arguments of the affected stakeholders were taken into account (Ministry of Economy and Industry, 2025, Strategy.bg).

From the perspective of institutional capacity, the Patent Office of the Republic of Bulgaria demonstrates a strategy for informational valorisation. The organisation of thematic events and public consultations over a period of more than one year (2024–2025) performs a critical role in increasing the legal awareness of local producers, and building vertical connections (state–municipalities–producers), which are essential for the success of the new European legislative framework. The synchronisation of national procedures with the requirements of Regulation (EU) 2023/2411, supported by judicial review (Art. 106f), positions Bulgaria as a state with high institutional readiness to transform geographical indications into a driver of regional development.

Data from the study of the European Union Intellectual Property Office (2024) show significant differences in the potential of the Member States (see Figure 3). Italy dominates with 92 potential geographical indications, followed by Spain and Germany. Bulgaria occupies a specific position in this ranking: it possesses one of the largest bases of already registered national geographical indications (27), which indicates an active existing legal framework. However, the nominal number of new potential objects is comparatively lower, which shifts the focus not toward quantitative expansion but toward qualitative transformation and the adaptation of existing geographical indications to the unified European market.

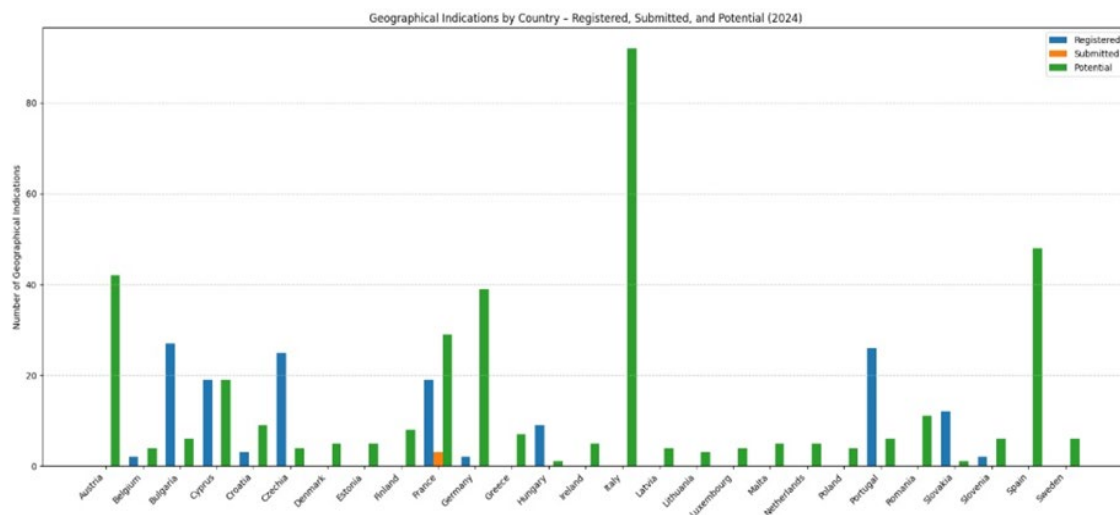


Figure 3. Source: European Union Intellectual Property Office. (2024). Study on EU Member States’ potential for protecting craft and industrial geographical indications. EUIPO Publications, 1 – 417

From the available information in Table 1, it can be established that more than 70% of the identified objects are still only “potential”. This means that the majority of Europe’s craft heritage remains economically unrealised. For countries such as Bulgaria, the effect of the Regulation will

be twofold. On the one hand, it provides protection at EU level, with the possibility of international protection as well, for already established products; on the other hand, it creates a regulatory framework for identifying new economic niches in lagging regions, which in the medium term may lead to a reduction of regional disparities.

Table 1. Status and potential of craft and industrial geographical indications in the EU.
Source: European Union Intellectual Property Office. (2024). Study on EU Member States' potential for protecting craft and industrial geographical indications. EUIPO Publications, pp. 1–417

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Status of units	Number of units (Units)	Percentage (%)
Registered	146	28.7 %
Deposited	3	0.6 %
Potential	359	70.7 %
TOTAL	508	100 %

The analysis of the spatial distribution of geographical indications in Bulgaria (see Tables 2 and 3) shows a concentration in territories with low population density and serious demographic challenges. Most geographical indications are linked to stone extraction (marble, gneiss) and traditional tobacco production in Southern and Southwestern Bulgaria. For example, regions such as Krumovgrad and Ivaylovgrad are characterised by low population density and declining economic functions. In such areas, the Regulation can play an important role in supporting local economic activity and strengthening the territorial identity of traditional products. Here the Regulation can act as a stabilizer by linking the natural resource with territorial identity and preventing the outflow of added value outside the region.

Table 2. Demographic and economic characteristics of regions with registered or potential geographical indications for industrial products in Bulgaria. Source: National Statistical Institute of Bulgaria, Bulgarian Employment Agency and “Study on EU Member States potential for protecting craft and industrial geographical indications. EUIPO Publications, 1-417

City	District	Density (people/km ²)	Unemployment city – district %	Economic Activity of population %	Product Type
Perushtitsa – Ustina	Plovdiv	106,6	7.38 %, 2.9 %	74.1 %	Tobacco
North Bulgaria	different areas	45,4	5 %	74.4 %	Tobacco
Melnik	Blagoevgrad	44,3	5.4 %	70.1 %	Tobacco
Harmanli	Haskovo	37,5	7.16 %, 6.9 %	69.3 %	Tobacco
Dupnitsa	Kyustendil	34,7	6.49 %, 5.5 %	67.4 %	Tobacco
Krumovgrad	Kardzhali	46,6	13.27 %, 2.7 %	65.3 %	Tobacco
Topolovgrad	Haskovo	37,5	10.32 %, 6.9 %	69.3 %	Tobacco
Svilengrad	Haskovo	37,5	4.25 %, 6.9 %	69.3 %	Tobacco
Nevrokop (Ghotse Delchev)	Blagoevgrad	44,3	10.64 %, 5.4 %	70.1 %	Tobacco
Troyan	Lovech	26, 8	4.65 %, 2.4 %	69.0 %	Ceramics
Ilindentsi	Blagoevgrad	44,3	5.4 %	70.1 %	Marble
Lepenitsa	Blagoevgrad	44,3	5.4 %	70.1 %	Marble
Manastirishte	Vratsa	40,3	10.4 %	68.3 %	Marble
Malko Tarnovo	Burgas	50,2	10. 99 %, 4.3 %	73.0 %	Marble
Brekcha – Chirpan	Stara Zagora	56,1	8. 95 %, 4.0 %	73.1 %	Marble
Nanovitsa	Smolyan	28,2	4.1 %	70.2 %	Marble
Topolovgrad (marble)	Haskovo	37,5	10.32 %, 6.9 %	69.3 %	Marble
Vetovo	Ruse	65,1	23.20 %, 1.3 %	72.4 %	Kaolin
Tsenovo	Ruse	65,1	18. 73 %, 1.3 %	72.4 %	Kaolin

City	District	Density (people/km ²)	Unemployment city – district %	Economic Activity of population %	Product Type
Kaolinovo	Shumen	44,0	42.02 %, 11.2 %	66.5 %	Kaolin
Kardzhali	Kardzhali	46,6	5.59 %, 2.7 %	65.3 %	Perlite
Vratsa	Vratsa	40,3	4.36 %, 10.4 %	68.3 %	Limestone
Vetovo/Vyatovo	Ruse	65,1	23.20 %, 1.3 %	72.4 %	Quartz sand
Tsenovo	Ruse	65,1	18.73 %, 1.3 %	72.4 %	Quartz sand
Kaolinovo	Shumen	44,0	42.02 %, 11.2 %	66.5 %	Quartz sand
Yunak	Varna	114,6	0.1 %	74.6 %	Quartz sand
Vratsa	Vratsa	40,3	4.36 %, 10.4 %	68.3 %	Calcareous stone

Table 3. Demographic and economic characteristics of regions with potential geographical indications for craft products in Bulgaria. Source: National Statistical Institute of Bulgaria and the Study on EU Member States’ potential for protecting craft and industrial geographical indications. EUIPO Publications, 1 – 417

City	District	Density (people/km ²)	Unemployment t %	Economic Activity of population %	Product Type
Vratsa	Vratsa	40.3	4.36 %, 10.4%	68.3%	Goldsmithing (Jewelry)
Veliko Tarnovo	Veliko Tarnovo	43.0	2.77 %, 4.2%	72.5%	Goldsmithing (Jewelry)
Kotel	Sliven	47.8	29.93 %, 6.3%	63.9%	Braid-making (Gaitandzhiystvo)
Gabrovo	Gabrovo	46.4	3.83 %, 6.4%	73.9%	Braid-making (Textiles)
Tryavna	Gabrovo	46.4	5.95 %, 6.4%	73.9%	Gunsmithing (Tyufekchiystvo)
Sopot	Plovdiv	58.4	2.8 %, 2.9%	74.1%	Gunsmithing
Gabrovo	Gabrovo	46.4	5.95 %, 6.4%	73.9%	Goat-hair weaving (Mutafchiystvo)
Chiprovtsi	Montana	31.0	26.78 %, 12.7%	64.7%	Chiprovtsi Carpets
Ivaylovgrad	Haskovo	37.5	19.46 %, 6.9%	69.3%	Gneiss (Building stone)

The practical application of Regulation (EU) 2023/2411 in Bulgaria requires an integrated approach that accounts for the diversity of local socio-economic conditions. For this purpose, the study introduces an original analytical typology based on a comparative analysis of selected municipalities that currently possess either registered or potential non-agricultural geographical indications. The classification is built upon three primary indicators: municipal unemployment rates, regional economic activity levels, and the strategic role of the specific craft or industrial heritage within the local economy. By segmenting these territories into three distinct profiles (Revitalization, Structural Adaptation, Economic Expansion), the model aims to identify the “capacity paradox” where the regions with the highest social need for geographical indications often face the most significant administrative and financial barriers to their implementation.

Original Analytical Typology (Table 4)

Profile	Socio-economic Profile	Unemployment Rate (Municipal Level)	Economic Activity Rate % (Regional Level)	Representative Municipalities	Strategic Role of Geographical Indications
Profile A: Revitalization	High risk of depopulation; critical unemployment; preserved craft heritage.	> 15.0%	66.5 %, 64.7 %, 69.3 %	Kaolinovo (42%), Chiprovtsi (27%), Ivaylovgrad (19.5%)	Survival Tool: Social protection, employment, and mitigation of migration.
Profile B: Structural Adaptation	Moderate activity; need for technological modernization of traditional production.	5.0% – 15.0%	69.3 %, 69.3 %, 67.4 %	Topolovgrad (10.32%), Harmanli (7.16%), Dupnitsa (6.49%)	Development Tool: Increasing added value and attracting investment.
Profile C: Economic Expansion	Low unemployment; high export potential.	< 5.0%	74.1%, 72.5%, 69.0 %	Sopot (2.4%), Veliko Tarnovo (3.8%), Troyan (4.65%)	Marketing Tool: Global competitiveness and image differentiation.

Firstly, the regions falling into Profile A (Revitalization) exhibit critical levels of unemployment, such as Kaolinovo (42.02%) and Ivaylovgrad (19.5%). In these territories, geographical indications are not merely a marketing tool but a vital mechanism for preserving the local economic ecosystem. Here, the legal protection of products like “Chiprovtsi Carpets” and “Ivaylovgrad Gneiss” serves to institutionally strengthen specific craft resources, which often represent the sole alternative source of income.

In the intermediate Profile B (Structural Adaptation), regions with moderate unemployment levels (between 5% and 15%) are identified, including Harmanli (7.16%), Topolovgrad (10.32%), and Dupnitsa (6.49%). Their economic profile is more stable, and production traditions are integrated into small and medium-sized enterprises. The strategic role of geographical indications in these territories is linked to market differentiation. Through unified European registration with the EUIPO, producers from these regions obtain a tool for protection against unfair competition and imitations, which optimizes their value chains and ensures long-term industrial stability.

Regions with low unemployment below 5% (Sopot – 2.4%, Veliko Tarnovo – 3.8%, Troyan – 4.65%) form Profile C (Economic Expansion). In these cases, social pressure is minimal and economic activity is high. For producers in these areas, geographical indication protection is a strategic asset for entering the EU single market, providing a defense against imitations on a global scale.

Based on the data, it can be concluded that the regions in Profile A, which have the highest social need for the new Regulation to stimulate the local economy, possess the lowest administrative and financial capacity to undergo the complex registration procedure. Conversely, entities in Profile C have the resources to maximize the new legal opportunities, even though geographical indications do not have a critical impact on social cohesion in their case.

Consequently, without specific national support measures for peripheral regions, the new European framework may inadvertently deepen regional inequalities in Bulgaria rather than

overcome them. The new regulatory framework will therefore have an asymmetric impact. While it will stimulate innovation and exports in industrial centers, in peripheral and lagging regions, it serves as the final barrier against the ultimate degradation of local industrial and craft capacity.

Despite the identified benefits, the implementation of Regulation (EU) 2023/2411 involves specific risks that require precise scientific modeling. The main challenge is to ensure that administrative complexity does not become a barrier for microenterprises, which dominate the Bulgarian craft sector. The present study identifies three phases of risk, which are managed through the mechanisms introduced in the new amendments to the Trademarks and Geographical Indications Act.

The first phase concerns overcoming the economic barrier (financial risk). Sustainability here is ensured through fiscal synergy. A key element is the 50% reduction of state registration fees introduced with the amendments to the TGIA, valid until 2028. This fixed transitional period aims at the mass entry of Bulgarian producers into the European system. At the same time, the voucher system of the SME Fund (EUIPO) provides additional reimbursement of costs, removing the financial threshold for small artisans in depressed regions.

The second phase neutralizes the operational risk related to the lack of expert capacity in the preparation of technical dossiers. Here sustainability is achieved through the integration of a specialized “scientific filter”. The inclusion of the expertise of the institutes of the Bulgarian Academy of Sciences and regional museums ensures the necessary verification of the authenticity and the historical connection of the product with the geographical area. A key role in systemic coordination is played by the Advisory Council envisaged in the amendments to the TGIA. As an interdepartmental platform, this body brings together the capacity of the Patent Office, ministries, and the academic community, providing methodological support that minimizes the risk of technical errors and refusals at the European level.

The third phase addresses the systemic risk of a lack of market sustainability and subsequent control. At this stage, municipalities and the National Craft Chamber (NCC) function as institutional aggregators. The changes to the TGIA delegate an active role to municipalities. They can initiate the registration process and support the management of geographical indications, acting as mediators between local producers and the state. This consolidates individual artisans into legally sustainable “collective entities,” with the municipality guaranteeing the institutional stability of the geographical indications.

This process not only satisfies the regulatory requirements of the Regulation but also builds a network for monitoring and protection against unfair competition. The systematization of these interactions is presented in the attached sustainability matrix (Table 5).

Table 5. Matrix of Sustainability and Institutional Coordination

Sustainability Factor	Source of Support	Responsible Entity	Risk of Inactivity
Economic	TGIA (50% fee reduction, active until 2028) and EU SME Fund	Patent Office/ EUIPO	Financial isolation of micro-enterprises
Expertise	TGIA (Consultative Council)	IEFEM – BAS/ Regional Museums	Inability to prove authenticity
Organizational	TGIA (Role of municipalities) and EU Regulation	Municipalities/ Industry Associations	Lack of leadership and market control

Based on the above-mentioned factors, the study envisages two strategic scenarios. The “stagnation” scenario assumes that in the absence of institutional coordination and in the presence of an information deficit regarding financial instruments, the benefits of the Regulation will be absorbed only by large industrial entities (Profile B “Structural Adaptation”). Conversely, the “revitalization” scenario envisages that through the effective use of the Advisory Council, financial support, the expertise of the Bulgarian Academy of Sciences, and the active leadership of municipalities, craft centers in crisis (Profile A “Revitalization”) will activate their endogenous potential. In conclusion, the sustainability of the Bulgarian model is guaranteed by the synergy between regulatory flexibility, financial incentives, and local self-government, transforming geographical indications into a real instrument for overcoming regional imbalances and for the economic revitalization of peripheral territories.

Conclusion

Regulation (EU) 2023/2411 introduces a unified system of protection that significantly reduces the administrative burden through a centralized procedure and financial incentives for SMEs. However, the present study demonstrates that for Bulgaria the success of this framework depends on three critical factors. First, the harmonization between the Regulation and the Trademarks and Geographical Indications Act is only a passive instrument. The real valorization of territorial capital depends on the functioning of the Advisory Council and the active role of municipalities as institutional aggregators capable of overcoming the inertia of micro-producers. Second, the data showing 70.7% “sleeping potential” in the EU confirm that financial incentives (SME Fund) are a necessary but not sufficient condition. In Profile A (Revitalization) success requires a “scientific filter” through the expertise of the Bulgarian Academy of Sciences and regional museums to guarantee authenticity. Third, while for Profile B (Structural Adaptation) protection is an instrument for optimizing global value chains, for Profile C (Economic Expansion) it represents a core mechanism for regional branding and digital trade (Art. 40).

In conclusion, the opportunities for Bulgaria are multidimensional, but the decisive stage will be the ability of producers in peripheral areas to use geographical indications to strengthen local value chains and retain economic activity within the region.

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